



Name: Dami Dina

Student number: 2009625

Assignment Title: Critically Evaluate How New Technology Has Turned the Music Industry from a Product to a Service Sector

It is true that technology has changed many aspects of the world we live in today. In the past decade we have seen huge changes with how we communicate through the development of mobile phones, we have also seen a drastic increase in human productivity through the form of machinery, even our connectivity as a species has increased hundredfold due to the formation of social media. One of the ways we have also advanced through technology is in the form of education due to the ease of accessibility to knowledge the internet has created with its vast libraries. All the moving factors in technology has caused sectors and markets to transform into new models much different from their past counterparts. A huge example of this can be seen in the music industry. An industry seen before as an exclusive club, saw its gates pried open by independent artists wanting to forcefully enter themselves as viable options for consumers.

In 2015 we began to see a shift in the way music was consumed. The term 'Recording Artist' used to be exclusively reserved for artists who were recognised by music labels and had access to premier level knowledge and studio equipment to make music. Furthermore, due to the exclusivity during this period there was a limited availability for high quality music for consumption, especially to buy on the online music stores such as iTunes. The term 'Independent Artist' was scoffed at and made to seem like a last resort for musicians who could not get funding or recognition by labels.

However, with the ushering in of new technology we have seen this flipped on its head and we have seen the music industry become less of a product and more of a service. This begins with the growth of the free media platform YouTube. During the time that Spotify had begun its growth in 2015, YouTube had been around for almost a decade and properly cemented itself as a source for media content, especially music. YouTube was created on February 14th, 2005. At this point the internet had already transformed into the main source of transferring knowledge from points around the globe, overtaking faxing and emailing as the new source for public knowledge transfer. However, YouTube had transcended this to a whole new level in 2015 by also being the number one source for high quality music videos, the number one place to get heard by millions as an independent artist and also a place to jumpstart a career in content creating.

My first point that strengthens the statement that technology has changed the music industry from a product to a service is the increase in the ease of accessibility. YouTube changed the consumer's access to music. Before YouTube's entrance into the industry, if an individual

wanted to consume music, they had to buy it in some physical form or illegally download the music and store it on a memory disc format. YouTube eliminated all of this whilst adding to the ease of accessibility. Now consumers only had to have an internet connection to listen to all their favourite songs and after a decade it had become the hub for not only music but high-quality music videos too. YouTube had created a precedence for 'free' music and built a market for independent artist through the notion of 'exposure' and 'self-branding'. By 2015 YouTube had already discovered major worldwide stars such as Justin Bieber, Shawn Mendes, Charlie Puth and Tori Kelly. Proving that artists can establish themselves on YouTube and garner a social platform which could help them reach their goals of mainstream success as a result.

This brings me onto my second point, the increase in consumption and creation. Due to the success of prior independent music creators on YouTube, the supply of independent artists increased. Weaponizing YouTube as their form of making a name in an industry that before had seemed untouchable. Moreover, due to the increase in supply of music and the ease of access for consumers, the generations consumption habit also began to increase. Consumers' appetites began to get larger as they did not have to wait for months until a label was ready to release music. They could have it whenever they pleased, even if it wasn't up to the standard of a studio quality artist. A new era had begun with plenty of options and in some cases options with more brand appeal too, shown through many videos capturing an independent artist's personality (Doyon, 2021). This now shifted the power to the consumer, because due to the high supply it is now up to the artists to fight for consumer attention and ergo money. This Changed the previous system of consumers wanting music and waiting for established artists to release, even if it wasn't something they would enjoy, to now a 'free for all'.

Additionally, the increase in supply was further made noticeable because of the decrease in the barrier to entry for the music industry. As mentioned on the first page, individuals were excluded from the industry due to the lack of access to knowledge and equipment. Now with the advancement of the internet and technology, individuals were beginning to teach themselves how to mix at a professional level through blogs, YouTube tutorial videos and access to portable studios such as Logic and Pro Tools. This elimination of barriers to entry made the surge in supply shoot up too much that it almost became unfathomable for consumers to think of an era where they did not have choice of who to listen to and when. If the music was up to a certain standard, the consumer would listen. Furthermore, some consumers were growing up in the era of YouTube so they may not know any different and this is where

unknown artists who had the work ethic and ability tell their stories well prospered. Which in turn, unknowingly created the beginning of the music industry becoming a service.

However, the answer to this does not have to be black and white. In my opinion the market simply shifted from a direct-to-consumer model to a creator to distributor model. Creators had to shift from creating music for the sole purpose of selling it as a product to now selling it to a distribution platform for global use. In the same way a farmer had to change from selling produce such as fruits, vegetables and grain directly to consumers to then selling it to a distribution chain such as Tesco or Asda which would then make it readily available to a global market who may also want to procure other forms of groceries. With Spotify venturing into the podcast realm and radio it is clear they do not want to just be a one stop shop for just music. The market has evolved and it is not the creator's job anymore to reach potential clients. However, it is still their job to create a product they are happy selling and 'send it off to the market'.

In Addition, one could argue that the definition of a service is 'a means of delivering value to customers by facilitating outcomes customers want to achieve' (Probst, 2021). This definition does not completely explain the consumers expectations when listening to music. In most cases, consumers do not want to 'achieve' anything tangible. They listen to a song because they value the artform of music and as a result are looking for a compact product of art from a creator. Also, in the new media age an artist will not succeed unless the brand is also as strong as the music. When it was Labels occupying the market space it did not matter how an artist was perceived as there was a lack of competition, so it was only the music that mattered as it was the only thing that could be judged. Now with the increased competition and increased interconnectivity due to technology, an artist's brand image is what will drive consumers to listen to the music. Making the final product a homogenous form of the artists' brand and music. Meaning that not only is music still a product, but the product has also evolved with the market. Consumers are buying the artist as part of the art.

Likewise, music is not only consumed alone. Music has many facets and is used in many forms of media such as in feature films, adverts, in transition on a train or an elevator and many more. One could argue that one does not perform a service when licencing music to these forms of media. The product is the music and it is then for sale at certain prices to certain areas of the market needing it to complete their own product. If an artist is commissioned to compose a

song for a certain product such as a film it could then be argued that music is not a service as the individual creating the music is facilitating a product outcome through a skill they have developed that cannot be procured easily.

On the other hand, it can be argued that the definition of service being explained as an 'outcome customers want to be achieve' could be referring to the experience and emotion an individual wants to be shown / invited into. When consumers listen to music they are being invited into the world of the creator. Which can be seen with playlists being made to encapsulate a mood or genre. Meaning that in essence, the music is providing an emotional service which the consumer is looking for. Furthermore, many consumers are subscribed to streaming services such as Spotify for the service of delivering music to them. These intermediaries can also be found in the film world as well as the sync market. As a result of this the creators could be seen as providing a service to these distributors as they are not delivering the entire product that a customer is paying for.

Additionally, consumers who sign up to Spotify do not own any product of sorts. Back when the only way to acquire music was through direct sale from a label or the artist, the lines were not blurred. However now, if an individual does not pay for their subscription to Spotify, they do not have access to any of the catalogue that their service provides. So how can we label this a product? The essence of a product is something that can be bought and owned, where as a service is provided to an individual for a cost. Back to my initial point at the beginning, with the change in technology and increase in supply of creators the ability to sell content as a product is becoming obsolete. Music is now a service which is bought in tandem with other products or sold to streaming services.

In conclusion, I do believe that music should now be considered a service but I do not think the lines are as black and white as some may assume. I do believe that the new way of distributing music has shifted so much that for consumers there is no other way to perceive music other than a service. It is too easily accessible and in cases where you have to pay, you are not paying for a single product you usually end up paying for right to listen to a range of music. However, for the artist, music is still very much a product. This is because they still have to sell the music to a distribution and in some cases, they also sell music to be licensed. In addition, as a brand is part in parcel with the music, they also have to sell themselves. For example, an individual can enter a restaurant and order a meal but only the chef (artist) cooks

the food. Each chef has their own way of cooking food, but at the end of the day a waiter (distribution) is the one bringing the food to the consumer. It is all about the consumer's preference on where to eat and what type of food they are feeling. They receive the service from the waiter but they also receive the product from the chef. This is why I believe the real question should be, 'Has the music industry evolved into two separate markets?'. My arguments have shown this to be true as in actuality artists have very limited access to selling their product to consumers directly. It is more about how they can make it more appealing on the shelf of a distributors catalogue.

References

Doyon, M., 2021.

Think of Your Music as a Service, Not as a Product. [online]

Musicthinktank.com. Available at:

<<http://www.musicthinktank.com/blog/think-of-your-music-as-a-service-not-as-a-product.html>>

Probst, J., 2021.

ANATOMY OF A SERVICE. [online]

Alaska.edu.

Available at: <https://www.alaska.edu/files/oit/ITSM_Program/Anatomy-of-a-Service-White-Paper.pdf>